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OUACHITA COUNCIL OF GOVERNMENTS

Financial Statements

For the Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/27/10

OUACHITA COUNCIL OF GOVERNMENTS

Financial Statements

For the Year Ended June 30, 2009

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board Members Ouachita Council of Governments Monroe, Louisiana

We have audited the accompanying financial statements of the governmental activities of the Ouachita Council of Governments (the Council), as of and for the year ended June 30, 2009, which collectively comprise the Council's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide* issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Ouachita Council of Governments has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the Ouachita Council of Governments as of June 30, 2009 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Board Members
Ouachita Council of Governments**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2009 on our consideration of the Council's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying budgetary information on page 14 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Huffman, Huffman, Rozdale, & Simpson

(A Professional Accounting Corporation)

December 14, 2009

BASIC FINANCIAL STATEMENTS

OUACHITA COUNCIL OF GOVERNMENTS

Balance Sheet (FFS)

Statement of Net Assets (GWFS)

June 30, 2009

	Balance Sheet	Adjustments	Statement of Net Assets
Assets			
Cash	\$ 57,322	\$ -	\$ 57,322
Receivables			
Federal sources	50,039	-	50,039
Local sources	15,937	-	15,937
Total assets	<u>\$ 123,298</u>	<u>\$ -</u>	<u>\$ 123,298</u>
Liabilities			
Accounts payable	\$ 70,299	\$ -	\$ 70,299
Total liabilities	<u>70,299</u>	<u>-</u>	<u>70,299</u>
Fund balance / net assets			
Fund balance-unreserved	<u>52,999</u>	(52,999)	
Total liabilities and fund balance	<u>\$ 123,298</u>		
Net assets			
Unrestricted		52,999	52,999
Total net assets		<u>\$ 52,999</u>	<u>\$ 52,999</u>

The notes to the financial statements are an integral part of this statement.

OUACHITA COUNCIL OF GOVERNMENTS

Statement of Revenues, Expenditures and Changes in Fund Balance (FFS)

Statement of Activities (GWFS)

For the Year Ended June 30, 2009

	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Expenditures / Expenses			
General and administrative	\$ 43,260	\$ -	\$ 43,260
Health and welfare	35,726	-	35,726
Public works			
Federal Highway Administration	219,665	-	219,665
Federal Transit Administration	58,085	-	58,085
Total expenditures / expenses	<u>356,736</u>	<u>-</u>	<u>356,736</u>
Program / Intergovernmental Revenues			
Operating grants and contributions			
Federal grants			
Federal Highway Administration	175,732	-	175,732
Federal Transit Administration	48,466	-	48,466
Total Federal grants	<u>224,198</u>	<u>-</u>	<u>224,198</u>
Local grants			
City of Monroe	102,798	-	102,798
City of West Monroe	37,401	-	37,401
Ouachita Parish Police Jury	71,639	-	71,639
Total local grants	<u>211,838</u>	<u>-</u>	<u>211,838</u>
Total program/intergovernmental revenues	<u>436,036</u>	<u>-</u>	<u>436,036</u>
Net program revenues	79,300	-	79,300
General revenues			
Contributions-in-kind	8,591	-	8,591
Ambulance fees	5,000	-	5,000
Interest income	222	-	222
Miscellaneous income	150	-	150
Total general revenues	<u>13,963</u>	<u>-</u>	<u>13,963</u>
Excess of revenues over expenditures / expenses	93,263	-	93,263
Fund deficit / net deficit beginning of year	<u>(40,264)</u>	<u>-</u>	<u>(40,264)</u>
Fund balance / net assets end of year	<u>\$ 52,999</u>	<u>\$ -</u>	<u>\$ 52,999</u>

The notes to the financial statements are an integral part of this statement.

OUACHITA COUNCIL OF GOVERNMENTS

Notes to the Financial Statements

For the Year Ended June 30, 2009

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OUACHITA COUNCIL OF GOVERNMENTS

Notes To Financial Statements

For The Year Ended June 30, 2009

Note 1 - Summary Of Significant Accounting Policies

The accompanying financial statements of the Ouachita Council of Governments have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Ouachita Council of Governments was created by the Commission Council of the City of Monroe, the Mayor and Board of Aldermen of the City of West Monroe, the Ouachita Parish Police Jury, the City of Monroe School Board, and the Ouachita Parish School Board on September 23, 1968, under the authority of Louisiana Revised Statutes 33:1321-1332. On February 26, 1973, the articles of the agreement were amended to provide for two classes of membership on the Council - regular members and associate members. The regular membership consists of: (1) two members from the City of Monroe Commission Council (one of whom may be the Mayor) appointed by the Commission Council; (2) two members from the membership of the Mayor and Board of Aldermen of the City of West Monroe (one of whom may be the Mayor) appointed by the Mayor and Board of Aldermen; and (3) two members from the Ouachita Parish Police Jury (one of whom may be the President) appointed by the Ouachita Parish Police Jury. Any other unit of government situated within Ouachita Parish, or having an operating office in Ouachita Parish, is eligible for associate membership. Regular and associate members serve without benefit of compensation.

In creating the Ouachita Council of Governments, the members included in the articles of the agreement the following functions and purposes of the Council:

1. To carry on a continuing comprehensive planning program that supplements and coordinates but does not duplicate the programs of the member units.
2. To study such area governmental problems common to two or more members of the Council as it deems appropriate, including but not limited to matters affecting health, safety, welfare, education, economic conditions and regional development.
3. To promote cooperative arrangements and coordinate action among its members.
4. To make recommendations for review and action to the members and other public agencies that perform functions within the region.
5. To serve as a clearinghouse, for the benefit of the member governments, of information concerning their common problems and concerning state and federal services available to assist in the solution of these problems.

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) establishes criteria for determining the governmental reporting entity

OUACHITA COUNCIL OF GOVERNMENTS

Notes To Financial Statements

For The Year Ended June 30, 2009

and component units that should be included within the reporting entity. Because the Council members are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, and because of the scope of public service provided by the Council, the Council is a separate governmental reporting entity. The Council includes all funds, activities, et cetera, that are within the oversight responsibility of the Council. The Council has no *component* units, defined by GASB Statement 14 as other legally separate organizations for which the elected Council members are financially accountable.

B. Funds

The accounts of the Council are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the Council are classified into the governmental category. In turn, this category is divided into separate fund types. The fund classification and a description the existing fund type follows:

Governmental Funds - Governmental funds are used to account for the Council's general government activities, including the collection and disbursement of specific or legally restricted monies. The Council's only governmental fund is the General Fund which is the primary operating fund of the Council. It accounts for all financial resources of the Council.

C. Measurement Focus And Basis Of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole.

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

OUACHITA COUNCIL OF GOVERNMENTS

Notes To Financial Statements

For The Year Ended June 30, 2009

Program Revenues - Program revenues include operating grants and contributions. Program revenues also reduce the cost of the function to be financed from the Council's general revenues.

General Revenues - General revenues included in the Statement of Activities are derived from local property and sales taxes, from unrestricted state and local grants and from other sources not considered program revenues. General revenues finance the remaining balance of functions not covered by program revenues.

Fund Financial Statements (FFS)

Governmental Funds - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenues are recognized in the amounts earned, to the extent that they are both measurable and available.

Other income is recorded when the income is available.

Expenditures

Expenditures are generally recognized under the modified accrual basis when the related fund liability is incurred.

D. Budgets

The Council follows these procedures in establishing the budgetary data reflected in the combined financial statements: State statute requires budgets be adopted for the General Fund and any special revenue funds. Each year, prior to the beginning of the fiscal year, the executive director submits to the Council a proposed annual budget for the General Fund. Public hearings are conducted, prior to the Council's approval, to obtain taxpayer comments. Grant funds are included in the General Fund. The operating budgets include proposed expenditures and the means of financing them.

OUACHITA COUNCIL OF GOVERNMENTS

Notes To Financial Statements

For The Year Ended June 30, 2009

The Council adopts a budget for the General Fund. All appropriations (unexpended budget balances) lapse at year end.

Encumbrances are not recognized within the accounting records for budgetary control purposes. All governmental funds budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are as originally adopted or as amended by the Council. Legally, the Council must adopt a balanced budget, that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Council to amend its budgets when revenues plus projected revenues within a fund are expected to exceed budgeted expenditures by five percent or more. The Council approves budgets at the function level and management can transfer amounts between line items within a function.

Formal budget integration (within the accounting records) is employed as a management control device. The budget is established and controlled by the Council at the functional level of expenditure and budget amendments are adopted by the Council as necessary.

E. Cash

Cash includes amounts in interest-bearing demand deposits. Under state law, the Council may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 - Cash

Custodial credit risk – deposits - These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At June 30, 2009, the Council had \$58,332 on deposit with its financial institution all of which was covered by federal deposit insurance.

OUACHITA COUNCIL OF GOVERNMENTS

Notes To Financial Statements

For The Year Ended June 30, 2009

Note 3 - Receivables

The receivables at June 30, 2009, are as follows:

Class of Receivable	General	Federal Transit Authority 741-37-0018	Federal Highway Administration 736-37-0045	Total
Federal sources	\$ 15,937	\$ 17,966	\$ 32,073	\$ 65,976

Note 4 - Intergovernmental Activities

The Council receives contributions from its member agencies to pass through to other local agencies in the region. Additionally, Federal program funds are received from the Louisiana Department of Transportation and Development and transferred to other agencies. For the year ended June 30, 2009, the Council distributed the following:

	General & Administrative	Health and Welfare	Federal Transit Authority 741-37-0018	Federal Highways Administration 736-37-0042	Total
North Delta Regional Planning & Development District	\$ 34,666	\$ -	\$ 58,085	\$ 219,665	\$ 312,416
LA Department of Veterans Affairs	-	12,828	-	-	12,828
Senior Adult Academic Program	-	2,066	-	-	2,066
Ouachita Council on Aging	-	1,309	-	-	1,309
Association for Retarded Citizens/Ouachita	-	16,835	-	-	16,835
Triad	-	1,010	-	-	1,010
GoCARE	-	1,000	-	-	1,000
Ouachita Multi-Purpose CAP	-	492	-	-	492
RSVP of Ouachita Parish	-	186	-	-	186
Total	\$ 34,666	\$ 35,726	\$ 58,085	\$ 219,665	\$ 348,142

North Delta also paid \$8,591 in accounting fees on behalf of the Council which are included in general and administrative expenses in the Statement of Activities.

Note 5 - Dual Roles Of Staff

The Executive Secretary of the Council also serves as Executive Director of North Delta Regional Planning and Development District. The Council has contracted with North Delta to provide

OUACHITA COUNCIL OF GOVERNMENTS

Notes To Financial Statements

For The Year Ended June 30, 2009

technical assistance in carrying out Federal and local program activities. For the year ended June 30, 2009, the Council was billed \$312,416 by North Delta which represents 87.5 percent of the Council's expenditures for the year. At June 30, 2009, the Council owed \$65,268 to North Delta.

Note 6 - Litigation And Claims

Litigation - The Council was not involved in any litigation at June 30, 2009, nor is it aware of any unasserted claims.

Grant Disallowance - The Council participates in a number of Federal awards programs. The programs are not subject to compliance audits under the Single Audit approach. These programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Council expects such amounts, if any, to be immaterial.

Note 7 - Economic Dependency

The three regular members of the Council, the City of Monroe, the City of West Monroe, and the Ouachita Parish Police Jury, fund the local activities of the Council and also fund the 20 percent match for Federal grants. For the year ended June 30, 2009, the three governmental units contributed 48.6% of the Council's total revenues. Federal sources account for 51.4% of the Council's total revenues.

Note 8 - Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Council is self-insured for all losses regarding liability. The Council currently reports all of its risk management activities in the General Fund.

REQUIRED SUPPLEMENTAL INFORMATION

OUACHITA COUNCIL OF GOVERNMENTS

Budgetary Comparison Schedule

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Budgetary fund balance, beginning	\$ (40,264)	\$ (40,264)	\$ (40,264)	\$ -
Resources (inflows)				
Intergovernmental revenues				
Federal sources				
Federal Highway Administration	259,228	259,228	175,732	(83,496)
Federal Transit Authority	38,468	38,468	48,466	9,998
Local sources				
City of Monroe	71,261	71,261	102,798	31,537
City of West Monroe	21,464	21,464	37,401	15,937
Ouachita Parish Police Jury	36,487	36,487	71,639	35,152
Other revenues				
Contributions-in-kind	8,591	-	8,591	8,591
Ambulance fees	5,000	-	-	-
Interest income	222	-	-	-
Miscellaneous income	150	-	5,372	5,372
Amounts available for appropriations	<u>400,607</u>	<u>386,644</u>	<u>449,999</u>	<u>23,091</u>
Charges to appropriations (outflows)				
Current				
General and administrative	34,662	34,662	43,260	(8,598)
Health and welfare	20,126	20,126	35,726	(15,600)
Public works	<u>372,120</u>	<u>372,120</u>	<u>277,750</u>	<u>94,370</u>
Total charges to appropriations	<u>426,908</u>	<u>426,908</u>	<u>356,736</u>	<u>70,172</u>
Budgetary fund balance, ending	\$ <u>(26,301)</u>	\$ <u>(40,264)</u>	\$ <u>52,999</u>	\$ <u>93,263</u>

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA (1963-2002)
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Sandra Harrington, CPA

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board Members Ouachita Council of Governments Monroe, Louisiana

We have audited the financial statements of the Ouachita Council of Governments (the Council) as of and for the year ended June 30, 2009 and have issued our report thereon dated December 14, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Council's financial statements that is more than inconsequential will not be prevented or detected by the

Board Members
Ouachita Council of Governments

Council's internal control. We consider the deficiencies described in the accompanying Schedule of Findings listed as findings 09-01 and 09-02 to be significant deficiencies in the internal controls over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Council's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency listed as finding 09-02 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described as finding 09-01.

The Council's response to the findings identified in our audit is described in the accompanying Schedule of Findings. We did not audit the Council's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the Council, Federal awarding agencies and pass-through entities, and other entities granting funds to the Council and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Huffman, Huffman, Reynolds, & Sengstacke

(A Professional Accounting Corporation)

December 14, 2009

OUACHITA COUNCIL OF GOVERNMENTS

Schedule of Findings

For the Year Ended June 30, 2009

09-01 Compliance with Local Government Budget Act

Finding

LSA-RS 39:1305 C (1) provides that the budget include a budget message signed by the budget preparer which shall include a summary description of the proposed financial plan, policies, and objectives, assumptions, budgetary basis, and a discussion of the most important features. The Council's budget did not contain such a budget message.

The Local Government Budget Act (LSA-RS 39:1305 D) requires the budget to include an adoption instrument which defines the authority of the chief executive and administrative officer to make changes within the various budget classifications without approval by the Council, as well as those powers reserved solely to the Council. The Council's budget did not contain these required definitions of authority.

LSA-RS 39:1305 E requires local governments in Louisiana to adopt annual operating budgets in which the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year. The Council adopted a budget for the General Fund in which expenditures exceeded funds available by \$40,264.

Recommendation

We recommend that a budget message be prepared as prescribed by the Local Government Budget Act and that the budget include an adoption instrument. The adoption instrument should define the authority of the chief executive and administrative officer to make changes within the various budget classifications without approval by the Council, as well as those powers reserved solely to the Council.

Management's Corrective Action Plan

In the future, the Ouachita Council of Governments will design the budget to include a budget message and an adoption instrument. Management incorporated a funding plan that eliminated the deficit which will ensure that a deficit budget is not adopted in the future.

09-02 General Ledger Accounting

Finding

Disbursements to the North Delta Regional Planning & Development District and to the various supported agencies were posted to a miscellaneous expense account resulting in reclassification entries having to be made. In addition, revenues from the State Department of Transportation and Development for the two pass through federal grants are recorded in a single account. Disbursements to the North Delta Regional Planning &

OUACHITA COUNCIL OF GOVERNMENTS

Schedule of Findings

For the Year Ended June 30, 2009

Development District for administrative costs and the two federal grants are also recorded in one account.

One receivables account carried a credit balance at June 30, 2009 which was caused by posting prior year audit adjustments and reversing prior year receivables which had already been included audit adjustment amounts.

Recommendation

General ledger accounts should be maintained in sufficient detail so as to provide an accurate accounting of all transactions. In addition, all accounts should be reviewed at least quarterly to ensure proper posting of transactions. If reversing entries have been made before receiving audit entries, the entries should be modified to account for previously posted items.

Management's Corrective Plan

General ledger accounts will be maintained in sufficient detail so as to provide an accurate accounting of all transactions. In addition, all accounts will be reviewed at least quarterly to ensure proper posting of transactions.

OUACHITA COUNCIL OF GOVERNMENTS

Status of Prior Year Findings

For the Year Ended June 30, 2008

The following is a summary of the status of the prior year findings included in the Luffey, Huffman, Ragsdale & Soignier, APAC audit report dated January 21, 2009, covering the examination of the financial statements of the Ouachita Council of Governments as of and for the year ended June 30, 2008.

08-01 Current Period Local Revenues Used to Satisfy Prior Year Obligations

Finding

As noted in the prior year, the Council is operating in a deficit position in which cash inflows for the current period are used to satisfy prior period obligations.

Status

The Council's member governments came to an agreement as to the \$42,085 deficit and additional funding was contributed to ensure the financial stability of the Council.

08-02 Compliance with Local Government Budget Act

Finding

LSA-RS 39:1305 C (1) provides that the budget include a budget message signed by the budget preparer which shall include a summary description of the proposed financial plan, policies, and objectives, assumptions, budgetary basis, and a discussion of the most important features. The Council's budget did not contain such a budget message.

The Local Government Budget Act (LSA-RS 39:1305 D) requires the budget to include an adoption instrument which defines the authority of the chief executive and administrative officer to make changes within the various budget classifications without approval by the Council, as well as those powers reserved solely to the Council. The Council's budget did not contain these required definitions of authority.

LSA-RS 39:1305 E requires local governments in Louisiana to adopt annual operating budgets in which the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year. The Council adopted a budget for the General Fund in which expenditures exceeded funds available by \$53,713.

LSA-RS 39:1311 requires local governments in Louisiana to amend a budget when total actual expenditures exceed the total budgeted expenditures and other uses by five percent or more. The Council's General Fund had budgeted expenditures of \$53,756 and actual expenditures of \$68,567 resulting in a variance of \$14,811 (27.5%).

OUACHITA COUNCIL OF GOVERNMENTS

Status of Prior Year Findings

For the Year Ended June 30, 2008

Status

At the time that the 2009 and 2009 revised budgets were approved these issues had yet to be addressed and are reiterated in Finding 09-01.

08-03 Financial Statements Not Filed Timely

Finding

Louisiana Revised Statute 24:513 requires that the Council prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

Status

The Council coordinates the timing of the audit to ensure that it is completed and submitted to the Legislative Auditor within the prescribed time period.

08-04 General Ledger Accounting

Finding

The Ouachita Council of Governments (the Council) reports its activities in the General Fund and two Special Revenue funds; however, one general ledger is maintained for all accounts. This causes the auditors to have to make reclassification entries to assign transactions to the proper funds. In addition, disbursements to the North Delta Regional Planning & Development District and to the various supported agencies were posted to a miscellaneous expense account resulting in another reclassification.

Two receivable accounts carried credit balances at June 30, 2008 which was the result of posting prior year audit adjustments and reversing prior year receivables which already included to audit adjustment amounts.

Status

At the time of the 2009 fiscal year audit, these issues had yet to be addressed and are reiterated in Finding 09-02.